TECHNOLOGY & INNOVATION

Tennessee is developing and supporting the workforce of the 21st Century with statewide initiatives in nanotechnology, biotechnology and information technology. The Oak Ridge/Knoxville area alone is home to more than 1,000 technology-based companies with more than 4,500 technical professionals and more than 10,000 scientists. What's more, Tennessee has partnered with major research and technology centers across the state to provide industries with highlevel support to promote research and company efficiency. These partners include:

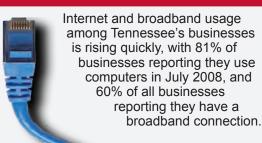


ELECTRIC POWER

America's largest publicly owned utility, the Tennessee Valley Authority, is headquartered in Tennessee. For seven years in a row. TVA has delivered power to customers with 99.999% reliability.



COMMUNICATIONS



INTERNET

For more information, please visit

www.tn.gov/ecd www.InvestTennessee.org

GREEN ENERGY & CLEAN TECHNOLOGY

Tennessee is focused on the next great exports of renewable energy research, technology and products Our state is already home to a diverse portfolio of companies in the solar wind, biofuels and electric vehicle sectors, including Hemlock Semiconductor Corp., Wacker Chemical Corp., Nissan North America, SIAG-Aerysin, Alstom Power and DuPont Danisco Cellulosic

The state has gained a worldwide reputation as a national clean energy hub and an emerging force in the U.S. solar industry with the Tennessee Solar Institute and the West Tennessee Solar Farm. The Pew

Center for the States even named Tennessee one of only three states in the nation with a large, fast-growing clean energy economy.

When it comes to incentives, Tennessee knows that one size does not fit all. This is especially true with the unique business opportunities and challenges faced by renewable energy companies. That's why Tennessee has established forwardthinking, green business incentives

- The Green Energy Tax Credit
- Pollution Control Equipment Tax Credit
 Carbon Charge Tax Credit
- Emerging Industry Tax Credit
- Reduced Tax on Electricity

TOP EXPORT MARKETS

Tennessee exported more than \$20.4 billion in merchandise to countries around the globe in 2009. Export shipments grew 62% from 2003 to 2009. By comparison, the total U.S. growth in merchandise exports over this same period was only 46%.

The state's top export markets include Canada, Mexico and China, while the top export commodities include transportation equipment, computers and electronic products and chemical manufactures

TOP 15 EXPORT GOODS

MANUFACTURED GOODS ONLY	2003	2009	
COMMODITY	EXPORT VALUE (\$)	EXPORT VALUE (\$)	GROWTH RATE
Transportation Equipment	2,400,930,455	3,587,671,410	49
Chemical Manufactures	1,723,492,837	3,145,306,292	82
Computers & Electronic Prod.	1,773,420,118	3,059,119,380	72
Misc. Manufactures	636,519,882	2,764,911,251	334
Machinery Manufactures	1,262,731,979	1,608,508,433	27
Elec. Eq.; Appliances & Parts	461,087,170	661,965,037	44
Processed Foods	284,439,662	598,241,591	110
Fabricated Metal Products	355,546,514	597,557,599	68
Plastic & Rubber Products	473,073,463	525,201,098	11
Paper Products	332,060,370	504,059,877	52
Primary Metal Manufactures	253,900,395	499,791,385	97
Beverage & Tobacco Products	242,979,727	490,906,770	102
Fabric Mill Products	215,528,203	343,618,630	59
Printing & Related Products	187,577,963	284,403,947	52
Non-Metallic Mineral Mfgs.	149,029,665	136,273,801	-9

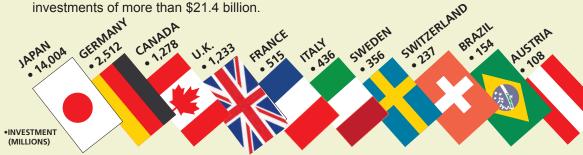
2,364,123,240 1,006,530,528 JAPAN 796,177,273 620,862,310 GERMANY NETHERLANDS 581,647,621 AUSTRALIA 556,704,640 436 129 072 SOUTH KOREA 417,057,321 381.355.874 315,938,134 4,596,084,297

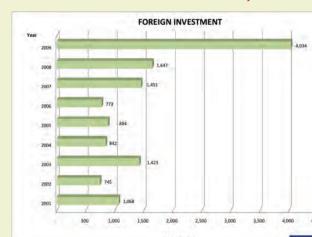
Tennessee Exports 2009

FOREIGN DIRECT INVESTMENT

Tennessee is home to 734 foreign-owned subsidiaries representing 36 countries and

nent of Commerce, 05/07/2010





More than 98,000 Tennesseans are employed by foreign-owned subsidiaries, and more than half of these jobs are in the manufacturing sector.

Tennessee's top foreign investor is Japan, followed by Germany, Canada and the United Kingdom.

MAJOR FOREIGN-OWNED

COMPANIES

Cascades Tissue Group, IFC

(Canada) - Brownsville

Volkswagen of America

(Germany) - Chattanooga

Nissan North America (Japan) - Franklin, Smyrna

BRIDGESTONE Bridgestone/Firestone Inc. (Japan) - Lebanon

WACKER Wacker Chemical Corp. (Germany) - Cleveland

Hemlock Semiconductor (Japan-US) - Clarksville

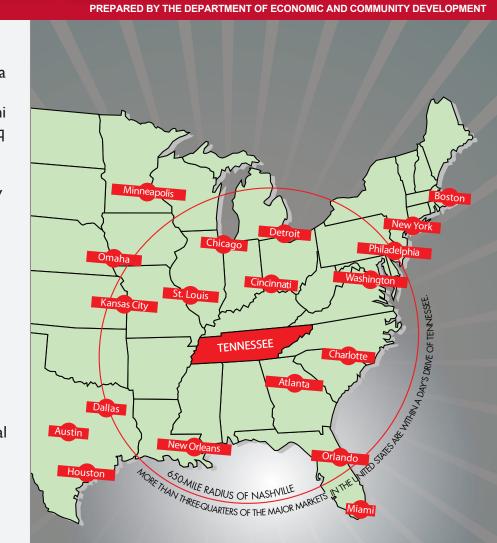
Pennessee Department of Economic and Community Development, Authorization # 330002– 1000 copies April 2010. This public document was promulgated at a cost of \$0.97 per copy.



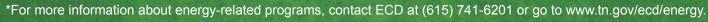
INTRODUCTION

The State of Tennessee is situated in the eastern south-central U.S. The total area of the state is 42,146 sq mi (109,152 sq km), of which land occupies 41,220 sq mi (106,591 sq km) and inland water 926 sq mi (2,561 sq km). Tennessee extends about 491 mi (690 km) E-W and 115 mi (180 km) N-S. Tennessee is bordered by the states of Kentucky, Virginia, North Carolina, Georgia, Alabama, Mississippi, Arkansas and Missouri. The boundary length of Tennessee totals 1,306 mi (2,102 km).

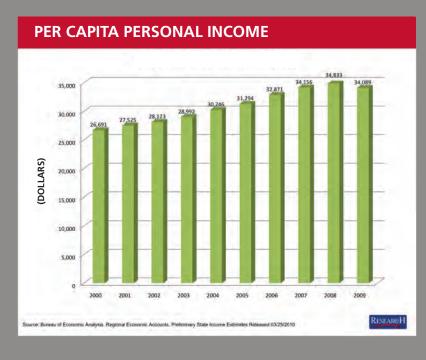
Tennessee has a temperate climate with warm summers and mild winters. The warmest parts of the state with the longest growing season are the Gulf Coastal Plain, the Central Basin, and the Sequatchie Valley. Memphis has an annual mean temperature of 62°F (17°C), 40°F (4°C) in January, and 83°F (28°C) in July. Nashville has an annual mean of 59°F (15°C), ranging from 36°F (2°C) in January to 79°F (26°C) in July. The Knoxville area has an annual mean temperature of 60°F (16°C), with averages of 41°F (5°C) in January and 78°F (26°C) in July.







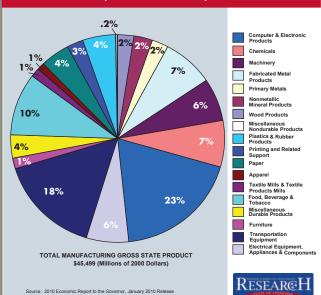
GROSS DOMESTIC PRODUCT TENNESSEE GROSS DOMESTIC PRODUCT



MAJOR INDEXES OF STATE ECONOMY

Index of 2008	VALUE	Avg. Annual Growth '00-'08				
State GDP	252,127*	4.51%				
State GDP Per Capita	40,402	3.52%**				
State GDP Manufacturing	40,594*	4.62%				
Export for all Industries	23,238* *Dollars Millions **Avg. Annual Gr	10.36%				
Source: Bureau of Economic Analysis, Regional Economic Accounts, Office of Trade and Industry Information, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce, 05/07/2010						

DISTRIBUTION OF OUTPUT DURABLE AND NONDURABLE GOODS 2010 (PROJECTED)



MANUFACTURING EMPLOYMENT DURABLE GOODS NONDURABLE GOODS

INFRASTRUCTURE

Tennessee is the strategic choice for business because of its central location and strong transportation infrastructure.

- Tennessee's location places it within a day's drive from 75% of the major markets that represent 50% of the entire United States population.
- The state provides immediate access to eight interstate highways: 24, 26, 40, 55, 65, 75 and 81, with 59 just southeast of the Tennessee border. • Memphis, Tenn. is home to the world's busiest freight airport, with connections to any location in the world. The state has a total of six

that traverse all parts of the state: Norfolk-Southern, CSX and Illinois-Central.

- commercial airports and 74 regional and community service airports. • There are numerous options for rail transportation, with three major carriers
- Tennessee boasts 1,062 miles (1,609 km) of navigable waterways and is centrally located on the nation's inland waterway system, connecting with river ports in 21 states and three ocean ports.

CONTACT

For more information:

TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY **DEVELOPMENT**

Matthew Kisber, Commissioner

312 ROSA L. PARKS AVENUE. 11TH FLOOR NASHVILLE. TENNESSEE 37243 www.tn.gov/ecd 615.741.1888 • 877.768.6374 615.741.7306

HIGHWAYS & AIRPORTS

Reach 75% of U.S. markets within one day by ground.

Access the world's busiest freight airport.

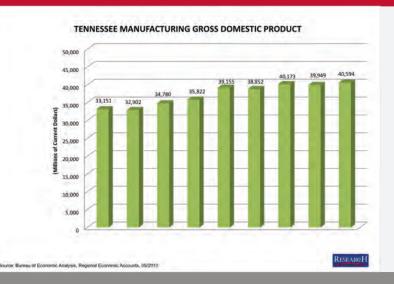
RAILWAYS

• Three major railroads traverse parts of the state: Norfolk-Southern, CSX and Illinois-Central.

WATERWAYS

 Tennessee enjoys the benefits of more than 1,062 miles (1,609 km) of navigable waterways.

MAJOR MANUFACTURING SECTORS



Tennessee is the choice of numerous manufacturing sectors, with total 2010 manufacturing GDP output projections at \$45,499 (millions 2000 \$). Of these manufacturing output levels, the Computer and Electronic Products and the Transportation Equipment sectors compose the largest portions of state GDP at 23% and 18%, respectively.

In 2008, the manufacturing sector employed an estimated 360,412 Tennesseans, composing 16% of total nonagricultural employment by industrial sector. The leading employer in Tennessee is the Trade, Transportation, & Utilities sector with 597,279 employees making up 26% of employment.

EDUCATION

Education is Tennessee's fundamental priority. It's the key and Universities Association to growing a strong economy, ensuring children's future success and improving the quality of life for all Tennesseans. In 2009-2010 alone, Tennessee appropriated more than \$975 million for state universities, community colleges Tennessee Technology Centers and vocational schools. The year before, 27,985 students received more than \$59 million in state grants and scholarships offered through the Tennessee Student Assistance Corporation. In addition, more than 89,000 students participated in the Tennessee Education Lottery Scholarship Program, which awarded nearly \$260 million in scholarships over that same period. In the fall of 2009, the total enrollment at Tennessee's

Post-Secondary Enrollmen

388,471

more than 388,000.

Engineering Programs

• Engineering programs are offered at 17 of the state's post-secondary institutions.

• In 2008-2009. Tennessee institutions awarded engineering degrees to 1,406 undergraduate and 389 graduate students.

Tennessee Independent Colleges

- 32 four-year colleges and universities
- 3 professional colleges
- 2 two-year colleges
- Nearly 72,000 students are enrolled in TICUA institutions

- Located in 27 geographical areas Provide high-quality, technical training in a variety of fields
- Enrollment for 2008-2009 was
- more than 32,000. Over that same period 6.487
- student graduates transitioned into the workforce with an average placement rate of 85%.

Public Universities and **Community Colleges**

- 9 public universities and 13 Post-Secondary Institutions was community colleges
 - Current enrollment is nearly 232,000
 - Public University Graduates (2008-2009) - 26,351
 - · Community College Graduates (2008-2009) - 8,351

appropriated \$970 million Higher Education.

WORKFORCE EDUCATION

Tennessee's workforce enjoys a reputation for being dependable, welltrained and dedicated. In Tennessee, a "critical mass" of highly skilled workers and cost-competitive conditions is converging to make the state a center for innovation and productivity.



	Total Population Age 25+	Grade K-8	Grade 9-12	High School Graduate	Associate's Degree	Bachelor's Degree	Graduate Degree	Some College, No Degree
State of Tennessee	4,126,506	292,223	458,378	1,388,794	241,130	594,906	319,733	831,342
Chattanooga	348,655	20,377	42,039	108,689	22,811	50,168	25,430	79,141
Knoxville	463,613	23,176	42,592	143,790	31,504	82,387	47,765	92,399
Memphis	807,466	44,650	87,392	241,840	48,111	126,317	70,309	188,847
Nashville	1,004,104	52,200	95,390	302,425	60,506	194,168	94,308	205,107
Tri-Cities	353,049	30,746	40,810	121,257	23,899	44,416	23,635	68,286

US Census Bureau, 2006 - 2008 American Community Survey, 05/2010